



BUILDING COMMUNITIES

CDBG – ESG – HOME
GRANTS 2021



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Background

- The City of Allentown is an entitlement City, the City receives an annual allocation of funds from the U.S. Department of Housing and Urban Development (HUD).
- Funded activities are allocated to Subrecipients these activities must align to the City's **Five-Year Consolidated Plan** and HUD'S **National Objectives**

Entitlement Grants Include:

- **Community Development Block Grant (CDBG)**
- **HOME Investment Partnerships (HOME)**
- **Emergency Solutions Grant (ESG)**

- All Grants above are reimbursement grants, a reimbursement grant provides funding to subrecipients **AFTER** expenses have been incurred.
- All grants above must benefit LMI residents of the City of **ALLENTOWN**.

Five-Year Consolidated Plan: Main Objectives and Outcomes

Housing Needs - improve the condition of the housing stock to meet current code standards

Homeless Needs- support prevention strategies that address the root causes of chronic homelessness

Community Development Needs- Revitalizing Allentown economy through vocational/ educational training ,small business loans, promotion of new activities in the City

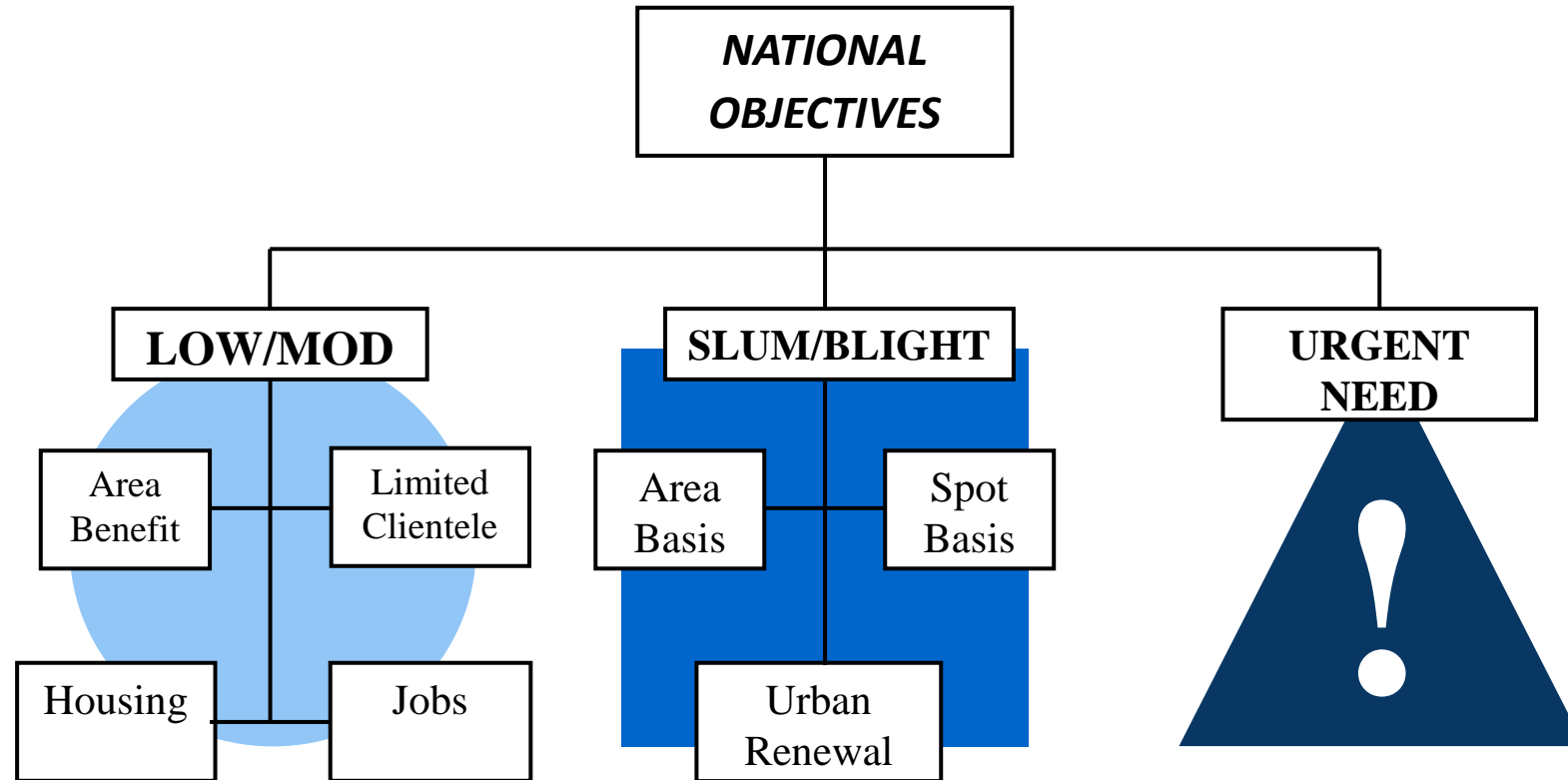
Elderly and Frail- support activities and affordable housing for elderly residents

Mental illness – Offer supportive services and assistance to individuals with mental illness and disabilities.

Drug and Alcohol Addiction - Provide transitional, permanent housing and support to outreach programs for individuals with substance abuse.

HIV/AIDS- Provide affordable housing and supportive services to persons living with HIV/AIDS.

What are the National Objectives?



- Benefit low and moderate – income (LMI) persons (income thresholds change every year)
- Aid in the prevention or elimination of slums or blight (City- wide target)
- Meet a need having a particular urgency – also known as urgent need (Ex: COVID-19)

Grant Application

- The beneficiaries of the proposed activities must be residents of the City of Allentown with annual incomes at or below 80 % of the area median.
- The applicant must be a charitable organization, as determined by the Internal Revenue Services under Section 501(c) 3, or partner with a 501 (c) 3 depending on the proposed activity.
- **New programs**, must document that the proposed activity is either a new needed service or must have at least 1 year of audited financials.
- The proposed activities must address Priorities and Goals listed in the Five- Year City's Consolidated Plan and meet one of the national objectives.
- The City Advertises the application on the City's website, local news paper and via email.
- The way to request an application is via email at: HUD.grants@allentownpa.gov.
- The applicant may submit various applications for different programs but they all must be individual applications and address different needs.

APPLICATION CHECKLIST

Please submit a digital copy of your application, sent to HUD.Grants@allentownpa.gov. Should you not want to email your IRS 990 report or Single Audit, you may hand deliver to 435 Hamilton Street, Allentown, PA 18101 – Floor 3, Community and Economic Development. Check below that your application is complete.

- ☐ Section I. Basic Information Form and Proposal Summary
- ☐ Section II. Project Narrative
- ☐ Section III. Agency Information
- ☐ Section IV. Plan for Monitoring and Recordkeeping
- ☐ Section V. Budget Request Forms
 - A. ☐ Program Budget
 - B. ☐ Budget Narrative
 - C. ☐ Listing of Other Resources
 - D. ☐ Funding Commitment Letters
 - E. ☐ Organization Budget Summary
 - F. ☐ Organization Budget and Sources of Revenue
- ☐ Section VI. Standard Required Documents
 - A. ☐ IRS 501 (c) Determination Letter
 - B. ☐ Single Audit
 - C. ☐ List of Board Members
 - D. ☐ Most recent IRS 990 report
- ☐ Section VII. Statement of Increased Services Due CDBG Funding
(only if applicable)

Basic Application Information Cont.

- Project Narrative (two page maximum)
- Need/Problem to be addressed- Identify the problems your program will address- specifically how this is consistent with priorities and goals outlined in the Consolidated Plan for 2020-2024 .
- Population/Area Served – must be the City of Allentown
- Statement of Outcome Based Objectives – number value

Budget

- CDBG – limit of \$10,000.00
- HOME- Depending on requested funds, allocations awarded can be broken down into three years.
- ESG- 100% MATCHING FUNDS (Cash or In Kind)

Application Scoring

The City scores applications based on:

- Need/Extent of Problem
- Soundness of Approach and outcomes
- Capacity of the applicant and relevant organizational Staff
- Monitoring and Recordkeeping
- Leveraging Resources
- Comprehensiveness and Coordination
- Prior year experience with the City

Common Application Mistakes

- **Asking for more than 10k in CDBG funding**
- **Not having an eligible activity for more than one year**
- **Not attaching audited financials, 990 and 501 c3 verification**
- **Not having designated matching funds needed to complete the project**
- **Poorly written narrative**
- **Budget consistency – asking for eligible budget items**
- **Conflict of interest**
- **Not asking questions before applying**
- **Not sitting with HUD staff to discuss project eligibility and need**
- **Not being able to meet application goals and outcomes– less is more**
- **Not completing application**
- **Activities not benefiting City of Allentown LMI residents**

Helpful Application Tips

- First Year applicants with less than a year of experience, should partner with non-profit organizations with more exposure in the community.
- Private entities interested in HOME projects should partner with a local nonprofit organization to ensure all requirements are met.
- ESG applicants should be aware that HMIS is a requirement.
- Faith-based applicants should be aware that no religious influence, instruction, counseling, worship or services should be practiced in the provision of CDBG-ESG-HOME funded activities.
- Program outcomes- objectives should be number value, less is more

Timeline- Timeliness is very important throughout this process

Time Frame	
September- October	City holds a public hearing where we address all questions or concerns.
October	Applications are available to the public
November	Applications are due back with all supporting documentation
December	Award and denial letters go out
January	Awarded subrecipients should begin to document progress by using monthly reporting document.
March- April	City will begin mailing out contracts, three contracts will be sent to subrecipient for signage all should be mailed back to the City. The City will then mail Subrecipient contract back with Mayor's signature. The City will provide RFP sheet for invoicing.
December	All invoices should be submitted by the end of the year, as well as all quarterly reporting and APR's.
March, June, September, December	Important quarterly months to remember



CDBG

**Community Development
Block Grant**

What is CDBG?

- The objective of CDBG funds is to provide resources to help cities counter problems of housing affordability, blight, economic decline, and the shortfall of social services to low- and moderate-income persons, the homeless, and persons with special needs. The principal mission of the program is to benefit persons of low-moderate income, including the elderly, disabled, families, and homeless.

CDBG Subrecipients

- A Subrecipient is a public or private non- profit agency receiving CDBG funds from a grantee to undertake eligible activities.
- Entities including public and private for-profit organizations, providing assistance to microenterprises are considered subrecipients
- Contractors are not considered subrecipients
- Institutions of higher learning may be subrecipients if carrying out CDBG- eligible activities.

All CDBG activities must meet the following criteria:

- The beneficiaries of the proposed project must be residents of the City of Allentown with an annual income at or below 80% of the area median.
- The proposed activities must be an eligible use of CDBG funds as defined by federal regulations (24 CFR 570 Subpart C)
- The activity must be directed towards improving the community's public service and facilities including but not limited to, those concerned with housing, employment, crime prevention, education, welfare, energy conservation or recreation needs of low- and moderate-income residents of city.

CDBG Eligible Activities

- **Acquisition of Real Property**
- **Disposition**
- **Public Facilities & Improvements**
- **Clearance**
- **Public Services**
- **Interim Assistance**
- **Relocation**
- **Construction of Housing**
- **Code Enforcement**
- **Special Economic Development Activities**
- **Homeownership Assistance**
- **Planning and Capacity Building**
- **Program Administration Costs**
- **Administrative Activities**

Ineligible Activities

- **Construction equipment**
- **Fire protection equipment**
- **Furnishings and personal property**
- **Operating and maintenance expenses**(Any expense associated with repairing, operating, or maintaining public facilities, governmental buildings, improvements, and services is ineligible)
- **New housing construction**
- **Income payments**(income payments is defined as a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities)

CDBG Budget Allowances

- **Personnel (Salaries, Payroll, Taxes, Benefits)**
- **Office Supplies**
- **Operating Expenses**
- **Printing/Copying**
- **Payroll Processing**
- **Equipment/Equipment Maintenance**
- **Insurance**
- **Dues, Membership Fees, Staff Development**
- **Rent/Maintenance**
- **Prof. Fees/ Service Charges**
- **Utilities**
- **Computer Hardware**
- **Phone**
- **Facilities Maintenance**
- **Postage/ Shipping**
- **Specific Assistance- Individuals**
- **Mailing Service**
- **Vehicle Expenses**
- **Program Supplies/Materials**
- **Travel**
- **Books, Subscriptions, Reference**
- **Computer Services/ Software**





HOME

HOME BASIC

HOME Program was created by the National Affordable Housing Act of 1990 (NAHA)

Objectives: The intent of the HOME Program is to:

- Provide decent affordable housing to lower-income households
- Expand the capacity of nonprofit housing providers
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation

The HOME Program Final Rule found at 24 CFR Part 92 is the implementing regulation for the program

Policies and Procedures

HOME specially requires the PJs adopt the following written policies and procedures to ensure compliance with key program requirements:

- Underwriting and subsidy layering policy,
- Identification of definition of income
- Resale and Recapture policies
- Written rehabilitation standards
- Monitoring and risk assessment system
- Ongoing property condition standards and inspection policies
- Affirmative marketing policies and Minority and Women Business Enterprise (M/WBE) policy

Environmental Review

- No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.
- The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. The applicability of the provisions of 24 CFR part 50 or part 58 is based on the HOME project (new construction, rehabilitation, acquisition) or activity (tenant-based rental assistance) as a whole, not on the type of the cost paid with HOME funds.
- The jurisdiction (participating jurisdiction) must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58.
- A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.

HOME-Funded Activities

- Homeowner Rehabilitation: HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation or reconstruction of their homes.
- Homebuyer Activities: PJs may finance the acquisition and/or rehabilitation or new construction of homes for homebuyers.
- Rental Housing: Affordable rental housing may be acquired and/or rehabilitated, or constructed
- Tenant-based rental assistance (TBRA): Financial assistance for rent, security deposits, and utility deposits may be provided to tenants

HOME Program Requirements

- Eligible and Ineligible Activities
- Eligible Cost & Fee
- Eligible forms of Assistance
- Subsidy Limits
- Eligible Beneficiaries and Properties

Ineligible Activities

- Payment of delinquent taxes, fees, or changes on properties to be assisted
- Project based rental assistance
- Provide operating subsidies
- Match for other federal programs

Eligible Cost

HOME funds may be used to pay the following eligible costs:

- Acquisition Costs
- Development Hard Costs
- Related Soft Costs
- Community Housing Development Organization Costs
- Relocation Costs

Community Housing Development Organizations (CHDOs)

- Overview of the CHDO set aside requirement
- CHDO Set-Aside Roles
- Qualifying as a CHDO
- Special Assistance to CHDOs

Planning and Administration Costs

CHDOs

- Each PJ may use **up to 10%** of the total of its annual allocation plus any program income received for eligible and reasonable planning and administrative costs.
- Each PJ may allocate **up to 5%** of its annual allocation for CHDO operating expenses.
- Each PJ must reserve a minimum of 15% of its annual allocation for housing that is owned, developed, or sponsored by qualified Community Housing Development Organization (CHDOs)

Community Housing Development Organization (CHDO)

- A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience

Homebuyer Programs

- Overview to Homebuyer Programs
- Homebuyer Program Activities and Eligible Costs
- HOME Requirements Related to HOME-Assisted Properties and HOME-Assisted Buyers (or Beneficiaries)
- Required Elements of Written Homebuyer Program Policies
- HOME Underwriting/Subsidy Layering
- Nine-Month Sales Deadline in HOME

Homebuyer Program Con.

- **Long-Term Affordability in HOME Homebuyer Housing**
- **Recapture Provisions and Requirements under HOME**
- **Resale Provision and Requirements under HOME**

HOME Tenant-Based Rental Assistance - TBRA

- **TBRA programs help individual households, rather than subsidizing rental projects.**
- **TBRA assistance moves with the tenant—if the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property.**
- **The level of TBRA subsidy varies—the level of subsidy is based upon the income of the household, the particular unit the household selects, and the City's rent standard (rather than being tied to the PJ's high and low HOME rents).**

HOME Tenant-Based Rental Assistance Eligible Costs and Requirements

Eligible Costs

- Rental assistance and security deposit
- payments made to provide tenant based rental assistance for a family
- Administration of tenant-based rental assistance is eligible only under general management oversight and coordination

Requirements

- Tenant Selection: Low-income families – Preference to individuals with special needs
- TBRA only permitted in the City of Allentown
- Aiding with HOME funds may not exceed 24 months.
- Rent reasonableness is required
- Lease must comply with tenant protections
- Minimum tenant contribution must be determined

HOME Match

Overview of Match Requirement

- The HOME Program requires that participating jurisdictions (PJs) provide match in an amount equal to no less than 25 percent of the total HOME funds drawn down for project costs.
- Match is a permanent contribution to affordable housing
- Match is not leveraging. Match is the PJ's contribution to the HOME program the local, non-federal contribution to the partnership.



Tacoma



Tacoma





ESG

Emergency Service Grant

ESG Basic

- **The Emergency Solutions Grant (ESG) assists homeless or at risk of homelessness individuals and families to regain housing stability through programs and temporary shelters with a transitional housing component.**
- **Eligible subrecipients:**
 - **must be a 501c (3) non- profit**
 - **an active member of the regional continuum of care – Lehigh Valley Regional Homeless Advisory Board (LVRHAB)- (For more information contact: -Brendan Auman - breauman@pa.gov)**
 - **The non-profit or program specifically aids homeless**
- **Subrecipients are encouraged to participate in coordinated entry, known as HMIS. This system streamlines data demographics across the Lehigh Valley to better aid homeless issues.**

Who is Eligible to receive ESG Funding?

- **Residents of the City of Allentown who are homeless or at-risk of becoming homeless.**
- **Households below 30% AMI**

ESG Match Requirement

The ESG program requires that every ESG dollar allocated is subject to 100% match requirement pursuant to 24 CFR 576.201

Eligible Match

- Cash Contributions
- Non- Cash Contributions, property, equipment, salary paid to staff to carry out the program; goods, or services contributed to the subrecipients ESG program, including the purchase value of any donated building.

Ineligible Match

- Snap benefits
- Housing Choice Vouchers
- HOME TBRA funds
- Tenant portion of rent

ESG Eligible Activities Include

- Emergency Shelter
- Shelter operations
- Essential Services – Case Management, educational services, employment assistance, job training, and life skills training.
- Homelessness Prevention
- Homeless Management Information System (HMIS)
- Rapid Re-Housing
- Street Outreach



The background is a blue-tinted photograph of a city street with tall buildings. Overlaid on this is a stylized illustration of a person, possibly a religious figure, wearing a white robe with blue floral patterns and a yellow sash with red and black geometric designs. The person's right hand is raised, holding a large white circle with a red heart inside. The left hand is also raised, holding a smaller white circle with a red heart inside. The person's face is partially obscured by the sash. In the bottom right corner, there is a small illustration of a person's head and shoulders, wearing a blue headscarf and a yellow and red patterned garment. The word "Monitoring" is written in a large, yellow, sans-serif font across the middle of the image.

Monitoring

Recordkeeping & Monitoring

- All activities require monitoring when funds are exhausted, to ensure local, state and federal regulations.
- All subrecipients are required to maintain individual files of clientele served. Files shall include but not limited to income, and basic demographic details. *All Client documentation must be maintained by the agency in confidence.*
- Monitoring can include periodic site visits by City staff to review progress.

Monitoring

Monitoring is the last step to contract compliance, the subrecipient will be notified with a detailed monitoring list, 30 days prior to monitoring.

- **Monitored items include:**
 - **General information- APR- Quarterly Activity Reports**
 - **Liability Insurance - with the City as a Certified holder**
 - **Case management – income verification for all clients**
 - **Personnel Management**
 - **Civil Rights Information- Non- discrimination notice, Affirmative action, minimum wage requirement etc.**
 - **Accessibility survey of the facility**
 - **Agency Management**
 - **Financial Recordkeeping**

Questions?

